



FAIR MINIMUM WAGE ACT

FACT SHEET

Minimum wage workers are long overdue for a pay raise. A Democratic-led Congress last increased the national minimum wage in 2007 to \$7.25. This boosted earnings for as many as 13 million workers who had been stuck pulling in a meager \$5.15 per hour for a decade. Since then, the minimum wage has not kept pace with inflation. The real value of the minimum wage today is more than 30 percent less than it was in 1968. In addition, workers who rely on tips haven't seen an increase in their wages in 21 years; the required pay for tipped workers, excluding tips, has been stuck at a paltry \$2.13 per hour since 1991.

It's time to raise the minimum wage. It's time to pass the ***Fair Minimum Wage Act of 2013 (H.R. 1010)***.

Q: What does the *Fair Minimum Wage Act of 2013 (H.R. 1010)* do?

A: Gives hard-working Americans a long-overdue pay raise by:

- Increasing the national minimum wage over three years from \$7.25 to \$10.10 per hour.
- Indexing future annual increases to inflation.
- Raising the tipped minimum wage gradually from the current \$2.13 to 70 percent of the minimum wage.

Q: Who earns the minimum wage?

A: Hard-working adults with full-time jobs, many of whom are women.

- Workers who will benefit from raising the minimum wage work full time (54 percent) and are adults who are at least 20 years old (88 percent). They bring home 50 percent of their family's total income on average.
- Nearly two-thirds of minimum wage workers are women.

Q: Who would benefit from an increase in the minimum wage?

A: Everyone.

- A \$10.10 minimum wage would raise the pay of at least 25 million workers nationwide, generating \$35 billion in increased pay and compensation for working American families.
- Raising the minimum wage injects money into the economy. An increase to \$10.10 would generate some \$22 billion in increased economic activity and create 85,000 additional jobs.
- A \$10.10 minimum wage would lift 5 to 6 million Americans out of poverty.
- The additional household income would help food, clothe, and shelter some 14 million children.
- The 13 states that boosted their minimum wage at the beginning of 2014 are seeing better job growth than the ones that did not.

Q: How does an increase in the minimum wage help taxpayers and reduce government spending?

A: By reducing the need for taxpayers to subsidize profitable corporations that pay poverty wages.

- Because of its low wages, the fast food industry costs taxpayers \$7 billion a year in public assistance.
- A \$10.10 minimum wage would decrease the need for Supplemental Nutrition Assistance Program (SNAP) benefits by almost \$4.6 billion annually.
- The underpaid employees at a single big-box retail store in Wisconsin cost taxpayers around \$1 million a year for just ONE public assistance program (Medicaid).

Q: Who supports an increase in the minimum wage?

A: The majority of Americans—including Republicans and Democrats from all parts of the country.

- A recent national poll found that by a ratio of four to one, Americans support raising the minimum wage to \$10.10 per hour. This support cuts across all political affiliations and regions of the country.
- Momentum is building across the country. Connecticut, New Jersey, New York, and Rhode Island all voted to increase their minimum wage in 2014. Today 23 states and the District of Columbia have a minimum wage higher than the federal level.
- More than two-thirds of small business owners support increasing the national minimum wage to \$10.10. [[American Sustainable Business Council and Business for a Fair Minimum Wage](#)]

EFFECT ON WOMEN AND MINORITIES

Increasing the national minimum wage would disproportionately benefit women and minorities. Women make up a higher percentage of low-wage workers than men and often struggle to support their families on a minimum wage. Minorities also disproportionately work at low-wage jobs and would see their pay rise with an increase in the national minimum wage.

Women across the country would benefit from an increase in the national minimum wage.

- Women account for more than 70 percent of the workforce in low-wage sectors such as personal care and health care support.
- More than 15 million women would get a raise under H.R. 1010, including more than 1 in 5 working mothers.
- More than 3 out of 4 women earning the minimum wage are age 20 or older, and most do not have a spouse's income to rely on.
- Estimates from the President's Council of Economic Advisers suggest that increasing the minimum wage to \$10.10 an hour and indexing it to inflation could close about 5 percent of the current gender wage gap.

Minorities would also benefit significantly from increasing the minimum wage to \$10.10 per hour.

- By 2016, almost 15 percent of workers affected by a \$10.10 minimum wage would be African American, even though African Americans will only comprise 11 percent of the workforce.
- Similarly, 25 percent of those affected by 2016 would be Latino, even though Latinos will only comprise 15 percent of the workforce.